

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

23 June 1961

Staff Draft

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Ayub's Pakistan: Problems and Prospects

1. Field Marshal Ayub, President of Pakistan, took power by a bloodless military coup in October 1958. During the more than thirty months since that time he has grappled shrewdly and energetically with three fundamental problems: (a) how to solidify the base of his government and at the same time to infuse a spirit of national unity into his regionally-minded people, (b) how to encourage economic development in his resource-poor country, and (c) how to promote Pakistan's foreign policy interests in a complex and changing international scene.

The Political Problem

2. Ayub has done remarkably well in consolidating his power. Despite some jealousies and dissensions among his top

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military and civilian advisers, he has managed to keep close control over them, to make them work effectively, and to retain their personal loyalty. He continues to enjoy wide support among the civil and military services generally. The old line politicians whom he displaced have been intimidated, their party organizations shattered, and many of them have been personally discredited by publication of their dishonest and inefficient conduct while in office.

3. Ayub has also brought to Pakistan a sense of cohesion and national entity that it has lacked since its very early days. He himself and most of his advisers are free of the regional biases which preoccupied many of his politician predecessors. By removing regional issues from the forefront of politics and by ending the frequent turnovers in national and provincial governments, his rule has brought a period of stability and increasing centralization in which effective national planning has been possible for the first time. (It has not, of course, been able to overcome the very deep and fundamental cultural and linguistic divisions between East and West Pakistan and within the latter.) As far as the bulk of the people are concerned, Ayub's benevolent authoritarianism

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has not been particularly repressive; he still has fairly wide, albeit mostly passive, support in the country at large.

4. Ayub's greatest failure has been his inability to win the confidence and support of many of the most politically-conscious elements in the country. These range all the way from impoverished students and petty trade unionists to successful professional people and influential intellectuals. Most of these groups resent their virtual exclusion from the governing process by Ayub. Many have been associated with the parliamentary system and are unlikely to be satisfied with any limited representative forms, such as the "Basic Democracies" scheme, which Ayub is now implementing. Though unorganized, they are not intimidated, as are the former professional politicians; their discontent has recently been manifested in student disturbances in Karachi and the locally famous "Snelson Case" in which the judiciary strongly repudiated what it construed as an effort by the executive to interfere in the traditional responsibilities of the courts.

5. We believe Ayub will continue to dominate the Pakistani scene for the next few years at least -- although promulgation of a new constitution and full implementation of the "Basic

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Democracies" will probably change the form of the government somewhat. We anticipate that his regime will continue to be relatively honest and efficient, that he will be able to handle any dissention that develops among his advisers, and that his rule will not become unduly repressive. He will continue to have a fairly broad base of primarily passive support but is unlikely to win the trust and cooperation of most of the politically-conscious elements; he will be unable to do any more than make a start at weakening basic regional antagonisms.

6. The longer term outlook is less clear. If the efficiency and dynamism which Ayub has brought to Pakistan is to continue, he will sooner or later have to provide some means by which politically conscious elements can participate in the government and probably also some form of legitimate expression for regional feelings. We doubt that the "Basic Democracies" system as Ayub presently conceives it will satisfy this need. However, there is still something like an even chance that some generally satisfactory form of representative government -- perhaps along the lines of De Gaulle's Fifth Republic, which Ayub admires -- will evolve out of his constitutional experimenting.

7. However, it is going to be difficult for Ayub to share power. He is inclined by training and tradition to

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have little patience with civilian politicians and democratic forms. He is still vigorous and relatively young (54); if he chose he could probably go on indefinitely on his own, resting his power on his influence over the military forces and the lack of any satisfactory alternative to his own rule. In such a case, the dynamism would probably gradually run out of his policies and programs, and he would become more vulnerable to a coup by some other military leader or group -- perhaps in alliance with particular civilian or regional interests.

The Development Problem

8. At the core of Pakistan's development problem is the country's lack of resources. Much of the land is desert, mountains, and jungle. The people are numerous and generally unskilled. Their living standard is as low as that in any major country in Asia. A large military force imposes a substantial burden on the national budget. Few useful minerals have been discovered despite fairly intensive exploitation. Pakistan does, however, have two valuable, if not always dependable, cash crops (cotton and jute) and the potential at least for self-sufficiency in food.

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9. In the economic field, the President has selected honest and competent advisers and given them the authority to act. He has curtailed consumer imports, encouraged exports, and remedied the worst inequities of the land tenure and taxation systems. The climate of political stability has encouraged the private sector of the economy, and private, as well as public industrial investment has risen significantly in the past two years. These developments have provided a tenable, though by no means solid, base for Pakistan's Second Five Year Plan (1961-1966).

10. In general, the new plan appears to be sound, although in its present form it may tend to overemphasize long term basic development programs at the expense of useful short term projects with more direct impact on the economy. The total cost of the plan is in the neighborhood of \$5 billion. It is expected to result in an increase of about 20 percent in national income and about 10 percent in per capita income during the five year period. Recent indications that the rate of population growth may be somewhat greater than was previously believed may shave the latter figure somewhat. Nevertheless, successful implementation of the plan would almost certainly provide a modest increase in the standard of living and prevent for the

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next few years at least the presently modest economic pressures on the political structure from becoming dangerous in their own right. It would also provide a broadened base for future economic development and encourage greater public interest and participation in the development process.

11. These achievements, however, are dependent on large scale foreign aid: an estimated \$2.1 billion for the 1961-1966 period. If progress is to continue beyond that period, still more aid will be necessary, as it will be many years before the Pakistani economy is self-generating even under the best of domestic conditions. Thus President Ayub will continue almost indefinitely to find himself in the unpleasant position of being responsible for an economic development program the success or failure of which will be determined by external factors over which he can at best exert only limited influence.

International Position

12. The need for external assistance undoubtedly looms large in Ayub's approach to foreign policy. He has made it clear that Pakistan relies for a major portion of its required aid, economic as well as military, on the US, that as an ally

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it should have a special right to such aid, and that it is less than satisfied with what it has received to date. At the same time, he has permitted his aggressive Minister of Fuel, Power, and Natural Resources, Z.A. Bhutto, to arrange for a \$30 million dollar oil exploration assistance project with the USSR and is now investigating the possibility of Soviet help in dealing with Pakistan's serious water-logging and salinity problem.

13. Pakistan's foreign policy problems are not just a question of obtaining external assistance, however. Ayub's government feels itself to be under increasing pressure from the Communist Bloc and at the same time to be caught in a growing squeeze between its two unfriendly neighbors. The USSR has long been frank about its hostility toward Pakistan's alliance with the West, and since the U-2 incident Pakistanis have been made acutely aware of the threat of Soviet power. (The plane took off from Peshawar.) Soviet pressure has also been manifested in the growing Soviet presence in Afghanistan with which Pakistan is prone to connect the increasing unrest on its border with Afghanistan. In addition, the USSR has openly supported India and Afghanistan against Pakistan on the Kashmir and "Pushtoonistan" issues.

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14. These issues are of themselves of immediate and highly emotional concern to Pakistan. The "strong" policy toward Afghanistan which the Ayub government adopted when it came to office has served merely to intensify unrest on the North-West Frontier. The cooperative policy toward India under which a settlement was reached on the Indus waters question and Ayub offered a proposal to India for joint defense of South Asia has failed to achieve any progress on Kashmir. Pakistan's membership in CENTO and SEATO has not brought from the US the strong support on these issues for which Pakistan has hoped, and many Pakistanis fear that the US desire to maintain amicable relations with Afghanistan and to support strongly a major economic development effort in India are manifestations of an increasing partiality toward the "uncommitted" nations. This general frustration has tended to increase the already substantial neutralist sentiment among certain sections of the Pakistani public.

15. In this situation, more dangerous and complex than any Pakistan has faced in the international field for some years, there is likely to be a note of greater independence in Pakistan's foreign policy. Additional technical and economic agreements with the USSR are possible, as are more comprehensive negotiations

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with Communist China on Himalayan border questions. Pakistan has already indicated its intention to abandon the US position on Communist China's membership in the UN: other deviations on emotional Afro-Asian issues and the establishment of closer ties with Tito and Nasser may follow. More vigorous attempts to promote Pakistan's position in regard to Kashmir and "Pushtoonistan" are likely. In the latter case particularly, provocations and limited use of force without consultation with the US will be possible.

16. Pakistan's relations with the US will probably continue to be judged as much in terms of US relations with India and Afghanistan as in their own light, and there are likely to be fairly persistent expressions of dissatisfaction with US aid and repeated requests for demonstrations of US trust and support. In this atmosphere, the possibility will remain that foreign policy problems, perhaps coupled with internal developments, could eventually erode Pakistan's association with the US to the point where it ceased to be an effective ally.

17. We believe this to be unlikely, however, at least for some time to come. Pakistan is firmly committed to SEATO and CENTO, and short of a radical change in government it would be

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difficult for it to find a congenial place among the neutralist nations. In addition, Ayub and many Pakistanis have a genuine fear of communism and a sincere preference for the West. Most importantly, Pakistan is heavily dependent on the US for both military and economic aid, and, despite occasional recriminations and manifestations of greater independence, Pakistan will probably continue to place its basic reliance on the West and to cooperate actively with it within the established framework of the alliance. Indeed, a major effort to demonstrate Pakistan's loyalty and to win increased US support and commitments will almost certainly be made during Ayub's visit to the US in July 1961.

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